

SENATE BILL 18

Introduced by Doherty

12/23	Introduced
12/23	Referred to Business & Industry
1/04	First Reading
1/05	Hearing
2/19	Committee Report--Bill Not Passed
2/19	Adverse Committee Report Adopted

## 1 SENATE BILL NO. 18

2 INTRODUCED BY DOHERTY

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4 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING AN INSURER'S  
5 ABILITY TO CANCEL OR RESTRICT AN INSURANCE PRODUCER'S  
6 AUTHORITY TO TRANSACT BUSINESS BASED SOLELY ON LOSS RATIO  
7 EXPERIENCE; AND PROVIDING AN APPLICABILITY DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 NEW SECTION. Section 1. Ability to cancel or restrict  
11 insurance producer's authority to transact business --  
12 limitation. (1) An insurer may not, without the written  
13 consent of the insurance producer, cancel a written  
14 agreement with the insurance producer or restrict the  
15 insurance producer's authority to transact property or  
16 casualty insurance if the cancellation or restriction is  
17 based solely on the loss ratio experience on insurance  
18 transacted by that insurance producer if:

19 (a) the insurance producer was required to submit the  
20 applications for that insurance for underwriting approval;

21 (b) all material information on the applications was  
22 fully completed; and

23 (c) the insurance producer did not omit or alter any  
24 information provided by the applicant for that insurance.

25 (2) As used in this section "loss ratio experience"

1 means the amount of money received by the insurer in payment  
2 of premiums divided by the amount of money expended by the  
3 insurer in payment of claims for a specified period.

4 NEW SECTION. Section 2. Codification instruction.  
5 [Section 1] is intended to be codified as an integral part  
6 of Title 33, chapter 17, part 11, and the provisions of  
7 Title 33, chapter 17, part 11, apply to [section 1].

8 NEW SECTION. Section 3. Applicability. [This act]  
9 applies to all written agreements entered into or renewed by  
10 an insurer and insurance producer after September 30, 1993.

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